

## Alcoholic Beverage Control, Division of

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### Mission

The Division of Alcoholic Beverage Control (ABC) operates under the direction of the State Liquor Authority (SLA), a three-member Board consisting of a Chairperson, who acts as the agency administrator, and two Commissioners, appointed by the Governor with the advice and consent of the Senate. The Division regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State; issues licenses and permits to manufacturers, distributors, wholesalers and retailers; works with local law enforcement agencies and localities across the State to ensure compliance with the Alcoholic Beverage Control Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages.

The Office of Cannabis Management (OCM) is an independent state office established by the Marijuana Regulation and Taxation Act (MRTA) and located within the Division of Alcoholic Beverage Control. This office provides a unified and comprehensive regulatory structure to monitor and control the cultivation, processing, manufacturing, distribution, transportation, and sale of cannabis in New York State.

### Organization and Staffing

The ABC is organized into three major business units: Administration, Licensing and Compliance. These units are under the direction of an Executive Team including the Chairman's Office, Office of Public Affairs, Licensing Bureau, Wholesale Bureau, Enforcement Bureau, Office of Counsel, Hearing Bureau, Secretary's Office and Internal Audit.

The OCM is an independent state office within ABC. OCM is comprised of various units under the direction of an Executive Team, including the Clinical Unit, the Communications and Public Information Office, External Affairs, the Economic Development and Equity Unit, Legal Unit, Enforcement Unit, Licensing Unit, Regulatory Compliance Unit, and Policy Unit.

### Budget Highlights

The FY 2024 Executive Budget recommends \$83.2 million in All Funds appropriations (\$16.2 million in General Fund and \$67.0 million in Special Revenue Funds - Other). This includes a year-to-year decrease of \$250,000 in General Fund appropriation that reflects a one-time commitment in the FY 2023 Enacted Budget for the Commission to Study Reform of the Alcoholic Beverage Control (ABC) Law. This decrease is partially offset by additional PS funding to support general salary increases for settled negotiating units for ABC.

The SRO appropriations represent a year-to-year increase of \$16 million in additional State Operations funding to account for OCM's fully annualized staffing levels, as well as 37 new FTEs for enforcement activities to combat illicit cannabis sales and set the Adult-Use Program up for success in New York State. The FY 2024 Executive Budget includes a decrease of \$45 million in Local Assistance funding from the FY 2023 Enacted Budget, driven by a decrease of \$50 million for the one-time commitment for the Cannabis Social Equity Investment Fund. The decrease is partially offset by a new \$5 million local assistance appropriation for the New York State Community Grants Reinvestment Fund that will be administered by OCM and the Cannabis Advisory Board.

The FY 2024 Executive Budget recommends a workforce of 398 FTEs, an increase of 37 FTEs from FY 2023 for additional staffing in OCM. Of the 398 FTEs, 245 are specifically utilized by the Office of Cannabis Management.

### Program Highlights

#### Division of Alcoholic Beverage Control

##### *Chairman's Office*

The Chair of the Authority is statutorily responsible and has sole authority for the administration of the State Liquor Authority/Division of Alcoholic Beverage Control. The Office coordinates daily agency operations, providing external support to a wide variety of public and licensed interests, as well as internal support to all agency program units.

##### *Office of Public Affairs*

The Office of Public Affairs fosters positive working relationships with federal, state and local legislators, community groups and their staffs. The Office engages in discussions in support of the SLA's annual legislative program and, where appropriate, Governor's Program Bills bearing on alcoholic beverage control policy. It also responds to media requests, distributes press releases, and coordinates press-related events and assists in

the management of the content of the agency's website.

### ***Licensing Bureau***

The Licensing Bureau coordinates statewide licensing policies, standards and initiatives, and ensures that all license or permit applicants meet the statutory requirements. Staff reviews all license and permit applications, and prepares detailed reports to ensure either the Licensing Board or the Authority Members are able to make a proper determination on each application. This program also handles brand registrations for all alcoholic beverages sold in New York State.

### ***Wholesale Bureau***

The SLA regulates the distribution and sale of alcoholic beverages through a tiered system of three independent components: manufacturers, wholesalers and retailers. The Wholesale Bureau provides ongoing assistance and guidance to the industry on trade practices and policy issues.

### ***Enforcement Bureau***

The Enforcement Bureau is responsible for investigating possible violations of the Alcoholic Beverage Control Law which are rules and regulations relating to the manufacturing, wholesale, retail, transportation, and storage of alcoholic beverages. This program works with law enforcement agencies and community groups across the State; performs undercover investigations; and conducts training for police departments, licensees, servers and other beverage industry members on alcohol related issues.

### ***Hearing Bureau***

The Hearing Bureau is comprised of part-time Administrative Law judges. This program conducts all disciplinary proceedings when licensees are charged with violations and holds hearings to review Licensing Board decisions denying licenses.

### ***Secretary's Office***

This program is responsible for implementing all disciplinary determinations made by the Board; collecting civil penalties and bond payments; and maintaining the repository of agency documentation.

### ***Internal Audit***

Internal Audit consists of a shared Special Counsel for Ethics, Risk, and Compliance and Director of Internal Audit. Both positions are shared with the Department of Agriculture and Markets. The Special Counsel position is also shared with the Roosevelt Island Operating Corporation. This program works with the SLA's employees on identifying risks and ensuring compliance in policies and procedures through evaluations and testing processes.

## **Office of Cannabis Management**

### ***Executive Unit***

The Executive Unit is responsible for overseeing the implementation of New York's cannabinoid hemp, adult-use, and medical cannabis programs. This Unit is responsible for designing, building, and implementing OCM's first long-term production workflow management system and operational protocols.

### ***Licensing Unit***

The Licensing Unit is responsible for being the main contact with licensee applicants, the public, and executive governmental officials on concerns, issues, and processing of applications. This Unit is also responsible for directing and overseeing the evaluation of all applications for licensure submitted to OCM to ensure the accuracy and sufficiency of all information submitted.

### ***Enforcement Unit***

The Enforcement Unit is responsible for investigating possible violations of the cannabis laws, rules, and regulations by licensees and non-licensees. The Unit is also responsible for conducting robust background checks of licensees, investigating any outstanding taxes, fines, penalties, or other factors that may make an individual ineligible for a cannabis license.

### ***Regulatory Compliance Unit***

The Regulatory Compliance Unit is responsible for ensuring licensees are operating within the law, regulations, and guidance provided by OCM. Any findings of non-compliance are addressed either by the Compliance Team in the manner of a notice with corrective action plans or a referral to the Enforcement Unit to seize any products which do not fit the license type a licensee is approved to operate within.

**Health and Safety Unit**

The Health and Safety Unit is responsible for overseeing the Medical Cannabis Data Management System (MCDMS) used by practitioners to certify patients for the medical program, as well as patient and caregiver registrations. The Unit provides oversight to ensure cannabis products are safe for consumers and follow the regulations lined out by OCM. It also manages cannabis research initiatives across the state and furthers the education on the Medical Cannabis Program in New York State.

**Communications/External Affairs Units**

The Communications and External Affairs units are responsible for coordinating all communications between OCM, the public, and elected officials. These units are also the primary offices within OCM to collect data and input to develop statewide and regional plans for distributing communications, presentations, outreach materials, and to deliver cannabis program trainings to stakeholders and marginalized communities.

**Legal Unit**

The Legal Unit is responsible for providing legal counsel and assistance to OCM, addressing Freedom of Information Law (FOIL) requests, and managing any litigation OCM may need to address.

**Policy Unit**

The Policy Unit is responsible for policy analysis, data analytics, and research for OCM. This Unit is also responsible for studying the effects of cannabis legalization across a variety of metrics ranging from traffic safety to addiction, as well as analysis of metrics for the medical cannabis program and cannabinoid hemp program.

**Economic Development & Equity Unit**

The Economic Development and Equity Unit is responsible for the strategic planning and implementation of an equitable cannabis industry that promotes both economic development and opportunities to those from communities disproportionately impacted by the policies of prohibition, including the development of OCM's Social and Economic Equity (SEE) Plan.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

Category	Available FY 2023	Appropriations Recommended FY 2024	Change From FY 2023	Reappropriations Recommended FY 2024
State Operations	62,461,000	78,211,000	15,750,000	62,596,000
Aid To Localities	50,000,000	5,000,000	(45,000,000)	10,000,000
<b>Total</b>	<b>112,461,000</b>	<b>83,211,000</b>	<b>(29,250,000)</b>	<b>72,596,000</b>

**ALL FUND TYPES  
PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM  
FILLED ANNUAL SALARIED POSITIONS**

Program	FY 2023 Estimated FTEs 03/31/23	FY 2024 Estimated FTEs 03/31/24	FTE Change
Administration			
General Fund	15	15	0
Cannabis Management			
Special Revenue Funds - Other	208	245	37
Compliance			
General Fund	49	49	0
Licensing and Wholesaler Services			
General Fund	89	89	0
<b>Total</b>	<b>361</b>	<b>398</b>	<b>37</b>

NYS DOB | FY 2024 Executive Budget | Agency Appropriations  
**STATE OPERATIONS**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE**  
**APPROPRIATIONS**  
(dollars)

Fund Type	Available FY 2023	Recommended FY 2024	Change
General Fund	16,461,000	16,211,000	(250,000)
Special Revenue Funds - Other	46,000,000	62,000,000	16,000,000
<b>Total</b>	<b>62,461,000</b>	<b>78,211,000</b>	<b>15,750,000</b>

**STATE OPERATIONS**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
(dollars)

Program	Available FY 2023	Recommended FY 2024	Change
Administration			
General Fund	3,651,000	2,970,000	(681,000)
Cannabis Management			
Special Revenue Funds - Other	46,000,000	62,000,000	16,000,000
Compliance			
General Fund	5,824,000	6,019,000	195,000
Licensing and Wholesaler Services			
General Fund	6,986,000	7,222,000	236,000
<b>Total</b>	<b>62,461,000</b>	<b>78,211,000</b>	<b>15,750,000</b>

**STATE OPERATIONS - GENERAL FUND**  
**SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES**  
**FY 2024 RECOMMENDED**  
(dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,501,000	69,000	1,486,000	69,000
Compliance	4,974,000	195,000	4,159,000	195,000
Licensing and Wholesaler Services	5,239,000	236,000	5,038,000	236,000
<b>Total</b>	<b>11,714,000</b>	<b>500,000</b>	<b>10,683,000</b>	<b>500,000</b>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	5,000	0	10,000	0
Compliance	800,000	0	15,000	0
Licensing and Wholesaler Services	151,000	0	50,000	0
<b>Total</b>	<b>956,000</b>	<b>0</b>	<b>75,000</b>	<b>0</b>

NYS DOB | FY 2024 Executive Budget | Agency Appropriations  
**STATE OPERATIONS - GENERAL FUND**  
**SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED**  
**APPROPRIATIONS AND CHANGES**  
**FY 2024 RECOMMENDED**  
**(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,469,000	(750,000)	176,000	0
Compliance	1,045,000	0	108,000	0
Licensing and Wholesaler Services	1,983,000	0	60,000	0
<b>Total</b>	<b>4,497,000</b>	<b>(750,000)</b>	<b>344,000</b>	<b>0</b>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	27,000	0	1,214,000	(750,000)
Compliance	32,000	0	732,000	0
Licensing and Wholesaler Services	20,000	0	1,848,000	0
<b>Total</b>	<b>79,000</b>	<b>0</b>	<b>3,794,000</b>	<b>(750,000)</b>

Program	Equipment	
	Amount	Change
Administration	52,000	0
Compliance	173,000	0
Licensing and Wholesaler Services	55,000	0
<b>Total</b>	<b>280,000</b>	<b>0</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND**  
**SUMMARY OF APPROPRIATIONS AND CHANGES**  
**FY 2024 RECOMMENDED**  
**(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Cannabis Management	62,000,000	16,000,000	22,732,000	9,250,000
<b>Total</b>	<b>62,000,000</b>	<b>16,000,000</b>	<b>22,732,000</b>	<b>9,250,000</b>

Program	Nonpersonal Service	
	Amount	Change
Cannabis Management	39,268,000	6,750,000
<b>Total</b>	<b>39,268,000</b>	<b>6,750,000</b>

NYS DOB | FY 2024 Executive Budget | Agency Appropriations  
**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE**  
**APPROPRIATIONS**  
(dollars)

Fund Type	Available FY 2023	Recommended FY 2024	Change
Special Revenue Funds - Other	50,000,000	5,000,000	(45,000,000)
<b>Total</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>(45,000,000)</b>

**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
(dollars)

Program	Available FY 2023	Recommended FY 2024	Change
Cannabis Management			
Special Revenue Funds - Other	50,000,000	5,000,000	(45,000,000)
<b>Total</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>(45,000,000)</b>

Note: Most recent estimates as of 02/01/2023